



BUSINESS INVESTMENT GRANT

ECONOMIC DEVELOPMENT COMMITTEE

MARCH 27, 2019



AGENDA

- Recap of the Program, and Mecklenburg County
- Peer city research
- Target Industry
- Next steps



OVERVIEW OF THE PROGRAM

- Created in 1998, in partnership with Mecklenburg County
- Encourages the attraction, retention and/or expansion of businesses and jobs
- Provides grants based upon the amount of new property tax generated by the business
- Requires companies to meet thresholds for capital investment, new jobs and wages
- Often used as a required match to State incentives



CITY OF CHARLOTTE GRANTS

- Standard Grant
 - \$3 million investment
 - 20 new jobs at 100% average annual rate for MSA (\$51,150)
 - 3-year grant term at 90%
 - Projects must locate in the Business Investment Zone
 - Option for additional two-year term if existing company
- Large Impact Grant
 - \$30 million investment and/or
 - 150 new jobs at 125% average annual rate for MSA
 - 5-year grant term at 50% or 90%
 - Option for additional two year term if existing company
- Major Headquarters Provision
 - Companies that are Fortune 1000
 - Must pay 200% of the regional average wage



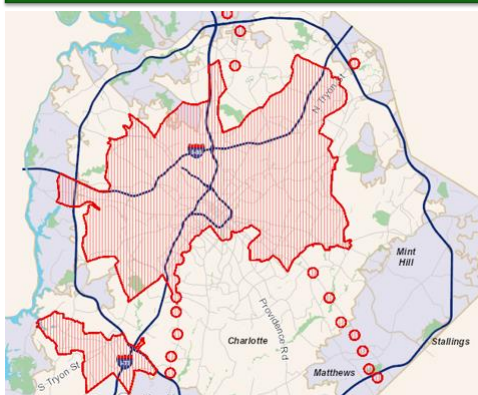
PARTNER - MECKLENBURG COUNTY

- Follows the same grant guidelines as the City, with exception of geography
- Opportunity Areas (OA)
 - 50% reimbursement anywhere in the County
 - 90% reimbursement in OA
- Geography based on:
 - Assessed per foot value of commercial parcels at or less than 70% of county wide commercial parcel per foot average value
 - Census Tracts at or below regional median household income
 - Proximity to rail or bus service

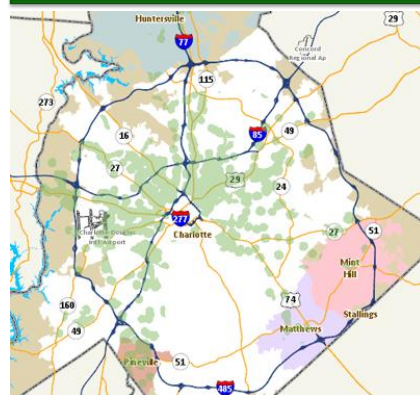


CITY & COUNTY GEOGRAPHY

City Business Investment Zone



County Opportunity Areas





PEER CITY RESEARCH

- 2014 update to Committee provided information on peer cities:
 - Dallas
 - Tampa
 - Nashville
 - Denver
 - Austin
- Elements of focus included:
 - Minimum investment
 - Wage goals
 - Target location
 - MWSBE Utilization
 - Workforce linkages
 - Target industry



PEER CITY RESEARCH TO-DATE

Type of Program	Peer Cities				
	Dallas	Austin	Nashville	Phoenix	Atlanta
Tax Increment Financing	X		X		
PILOT (Payment in Lieu of Taxes)			X		
Public Private Partnership	X				
Cash Grants	X		X		
Existing Local Expansions		X			
Opportunity for Employment		X			
External Relocations		X			
Committee Priorities					
Targeted Location	X				
Minimum Investment					
MWSBE	X	X			
Local Hires	X	X			
Wage Objectives	X	X			
Targeted Sectors			X		
Term Limits	X	X			
Small Business		X			



HOW DOES CHARLOTTE COMPARE?

- Setting aside dollar amounts, overall the City is doing well
- Program isn't overly prescriptive as is the case with Dallas and Austin
- One city even mentioned wanting to get more prescriptive, as we are, in terms of identifying distressed neighborhoods, industry sectors
- State statute limits Charlotte's ability to have certain requirements, whereas in other cities, it's mandated (their state law allows it)
- Charlotte currently negotiates aspirational goals, to address workforce development, hiring locally and MWSBE



CITY OF AUSTIN

- Small Business component
 - Developed a category after having community sessions with small businesses and recognized a need
 - Users of this program span from small/local firms, to mom-pop shops, to growing start-ups and even larger corporations
 - Incentives can be received for internships or full-time employment
 - Firm can receive either a "per job" payment or a portion of incremental property tax liability associated with the expansion
 - Three different tiers
 - Small, medium and large
- Targeted Hiring
 - Expansions that focus on middle-skill compensation, and participate with populations that may face barriers to employment
 - Cash grant that follows an allocation schedule
- External Relocations
 - More closely resembles how our program has recently been functioning
 - Incentive can be "per job" payment or portion of incremental tax liability
 - We've had a good mix of existing companies and external relocations



TARGETED INDUSTRY SECTORS

- **Main Target Industries:**
 - Advanced Manufacturing
 - Information Technology
 - Transportation and Logistics
 - Financial Services
 - Health Care
- **Additional Sectors:**
 - International Businesses
 - Headquarters
 - Energy and Power Industries

- *Per the Avalanch Study: 2016



NEXT STEPS

- New approach necessary to remain competitive
 - Matrix based program based on priorities

<ul style="list-style-type: none"> - Target location (TOD, distressed area, etc.) - Jobs created and/or retained - Wage goals (distribution of salaries for new jobs) 	<ul style="list-style-type: none"> - Capital investment - MWSBE utilization - Workforce development - Others?
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 - Revise approval process
 - Closed session
 - Council exposure to projects
- Next Steps
 - Continue to do peer city research
 - Engage consultants, and local stakeholders that work with this Program
 - Review Target Industry findings
 - Bring back framework in June